

Ludi

PHYSICIAN COMPENSATION SYSTEMS SURVEY



A survey of provider executives about physician compensation, expense reduction, and technology optimization trends. An analysis by Ludi, of a survey conducted by HFMA.

February 2020

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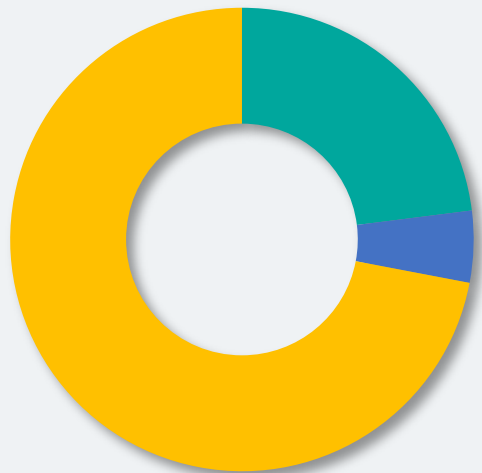
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Physician Relationships. Simplified.

Survey Overview



On-line survey of HFMA members, conducted from February 10, 2020 – February 24, 2020



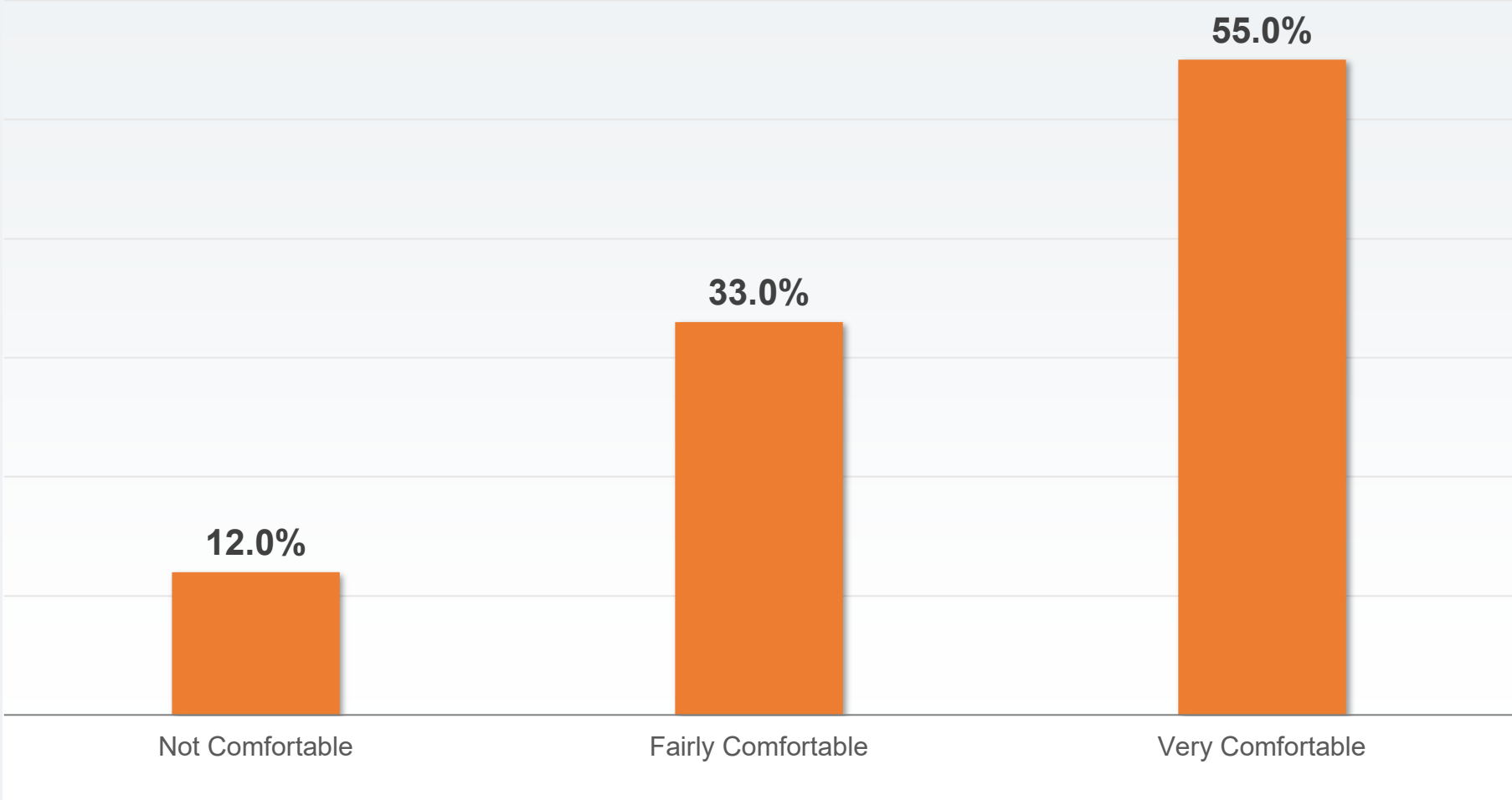
- 23% Vice President
- 5% Assistant Vice President/
Associate Vice President
- 72% Director



101 Respondents

- 44% Multi-hospital system corporate office or affiliated hospital
- 26% Multi-hospital system based physician practice or ambulatory care facility
- 10% Freestanding independent hospital
- 8% Freestanding independent physician practice or ambulatory care facility
- 11% Other

Comfort Level with the Process for Compensation



The majority of healthcare providers are very comfortable with their process for compensating physicians.

45% indicate some degree of doubt.

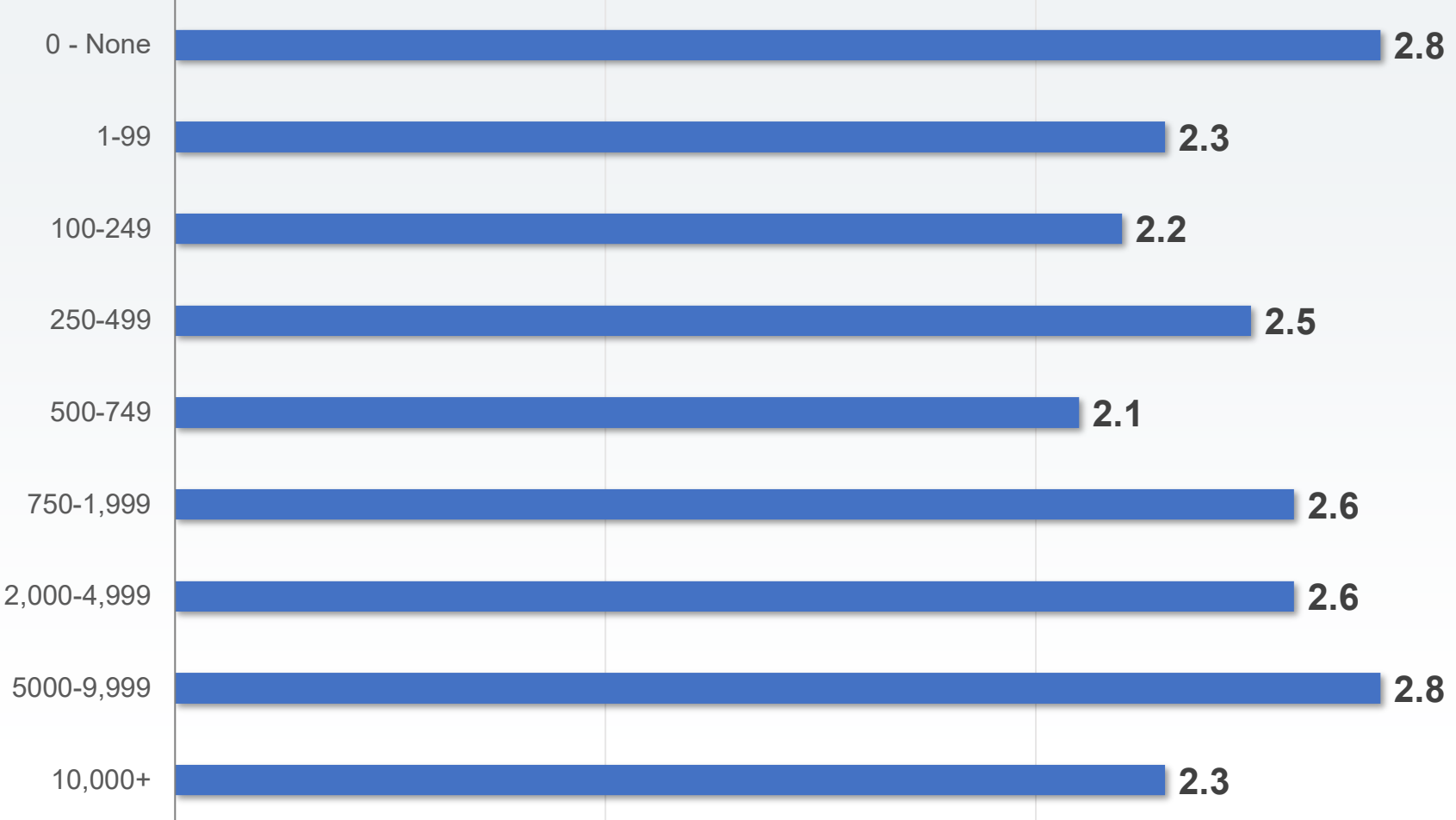
Average Comfort Level with Process for Compensating by Organization Type



Multi-hospital based physician practices have the highest average confidence in compensating processes

1 = Lowest Confidence
4 = Highest Confidence

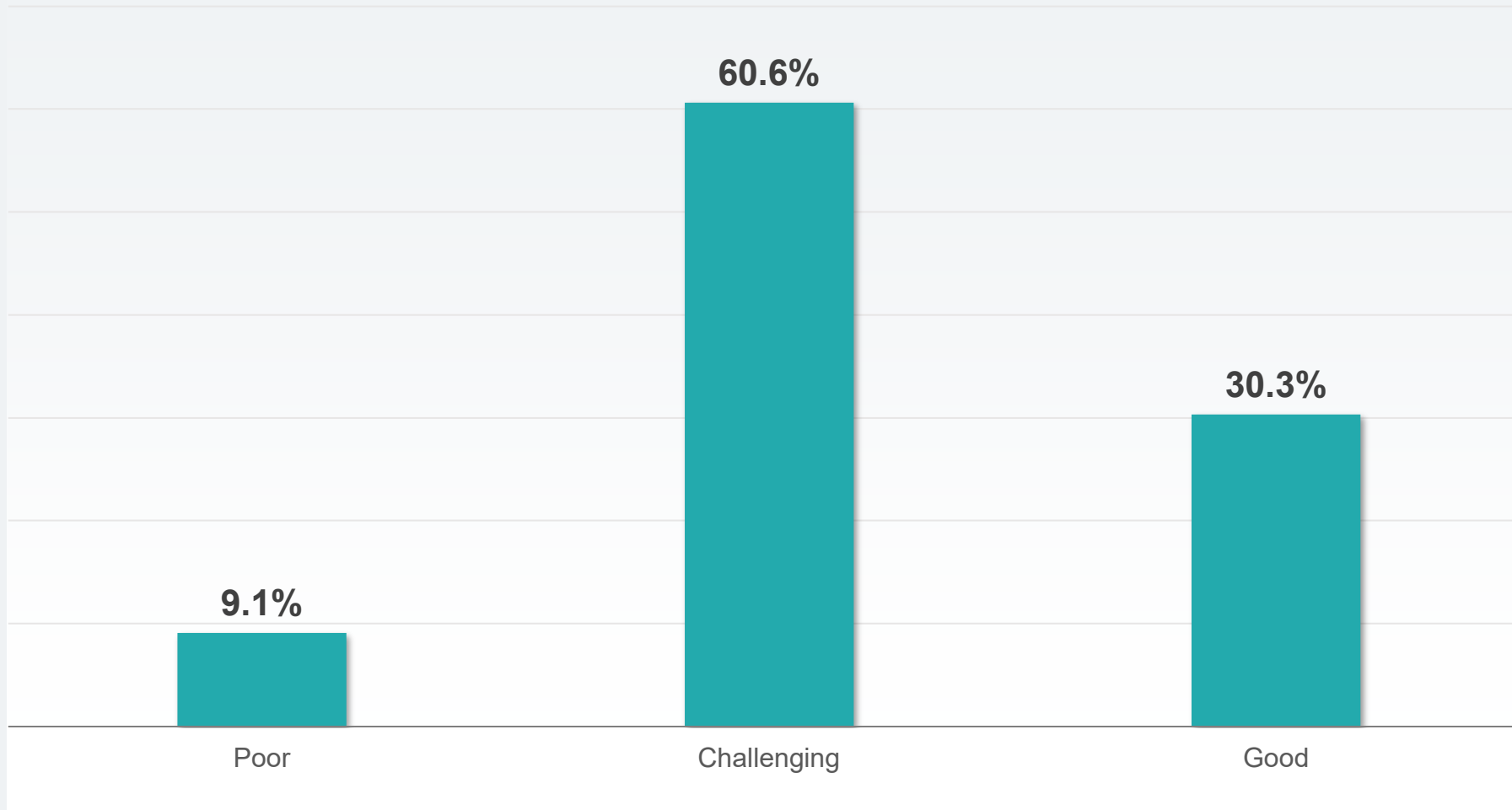
Average Comfort Level with Process for Compensating by Bed Count



Very low and very high bed count ranges report the highest average confidence in process.

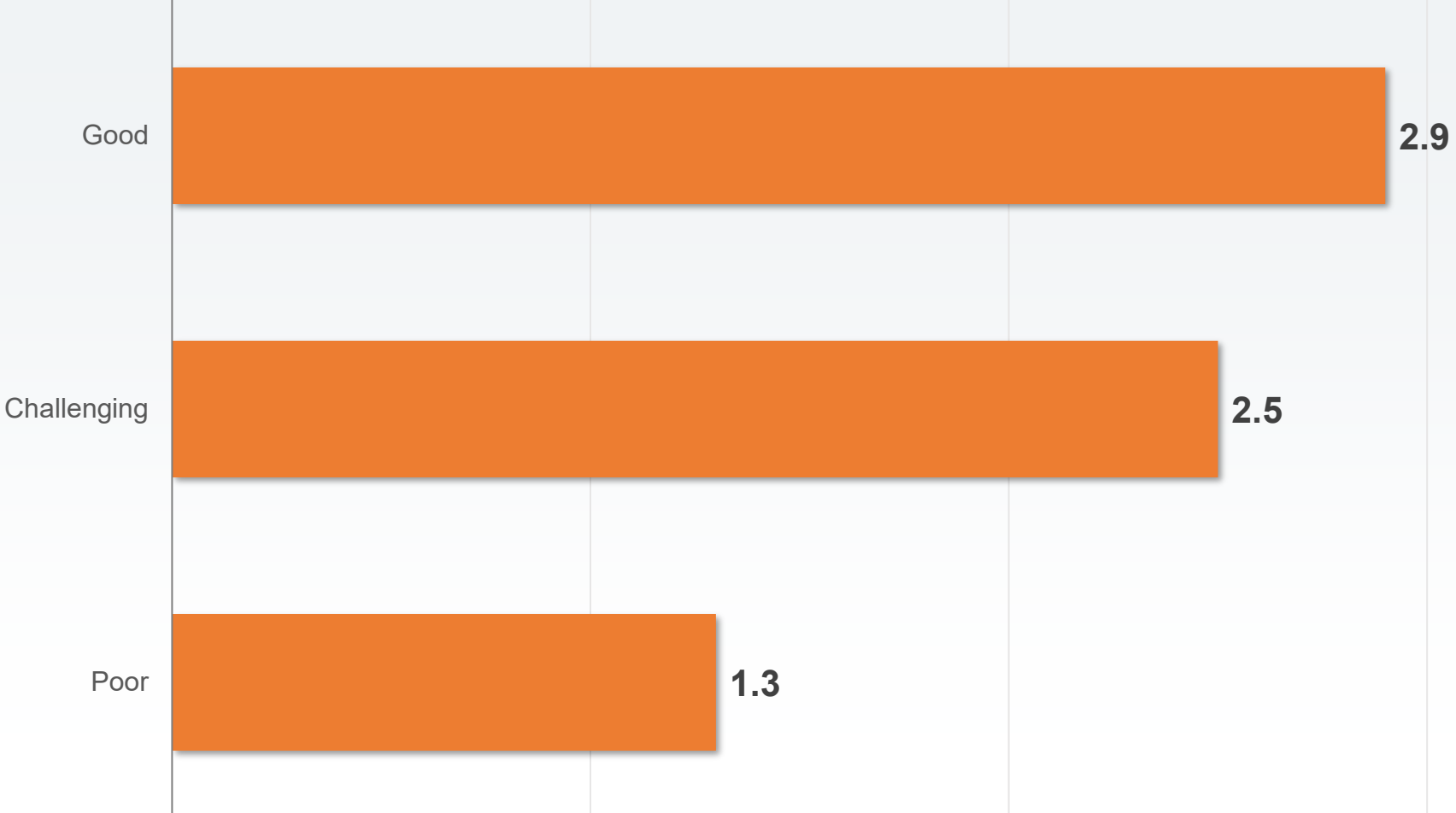
1 = Lowest Confidence
4 = Highest Confidence

Description of Current Process



Almost 10% of respondents characterize their current process for compensating physicians as “Poor”.

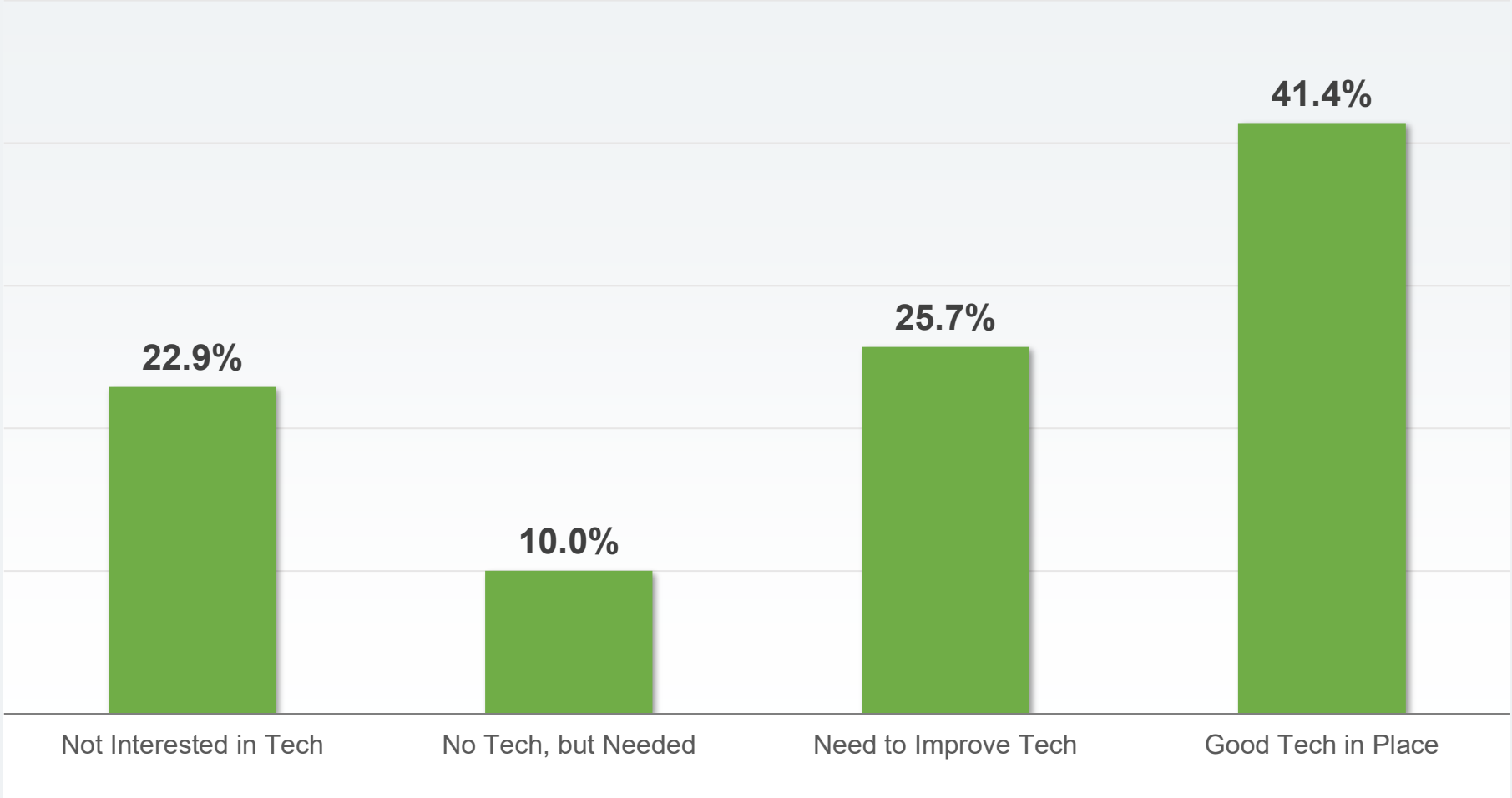
Average Comfort Level with Process of Compensating by Current Process Description



Organizations who characterize their current process as “Good” are more confident with the process for compensating physicians.

1 = Lowest Confidence
4 = Highest Confidence

Overall Status of Automating the Processes for Compensating Physicians



About 36% of organizations indicate they are in the market for technology that automates the processes for compensating physicians.

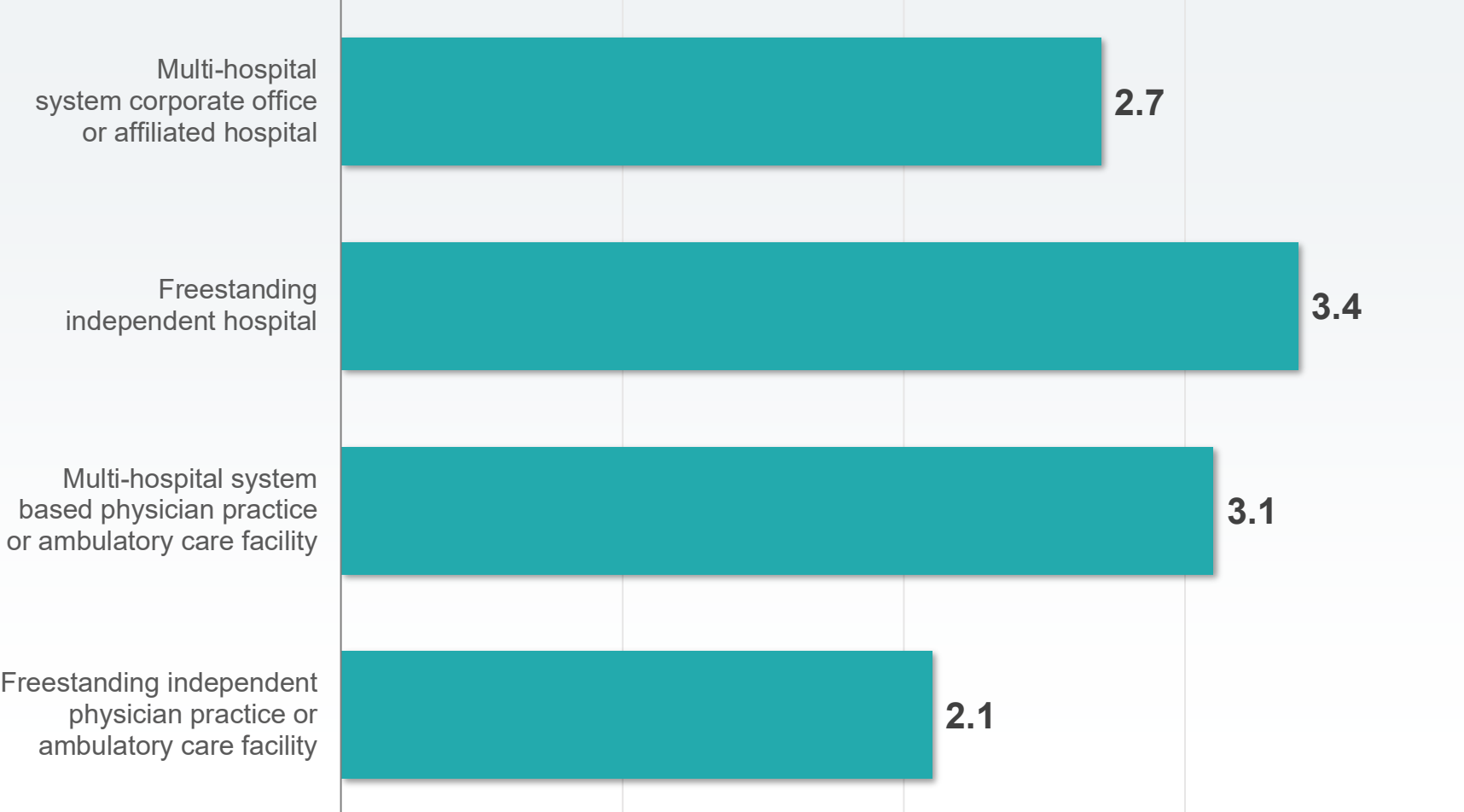
Average Rating of Current Process by Overall Status of Automation for Compensating Physicians



Organizations that are satisfied with their automation of compensating physicians rate their current processes higher than organizations that lack automation of physician compensation or seek to improve their automation of physician compensation.

1 = Least Satisfied
4 = Most Satisfied

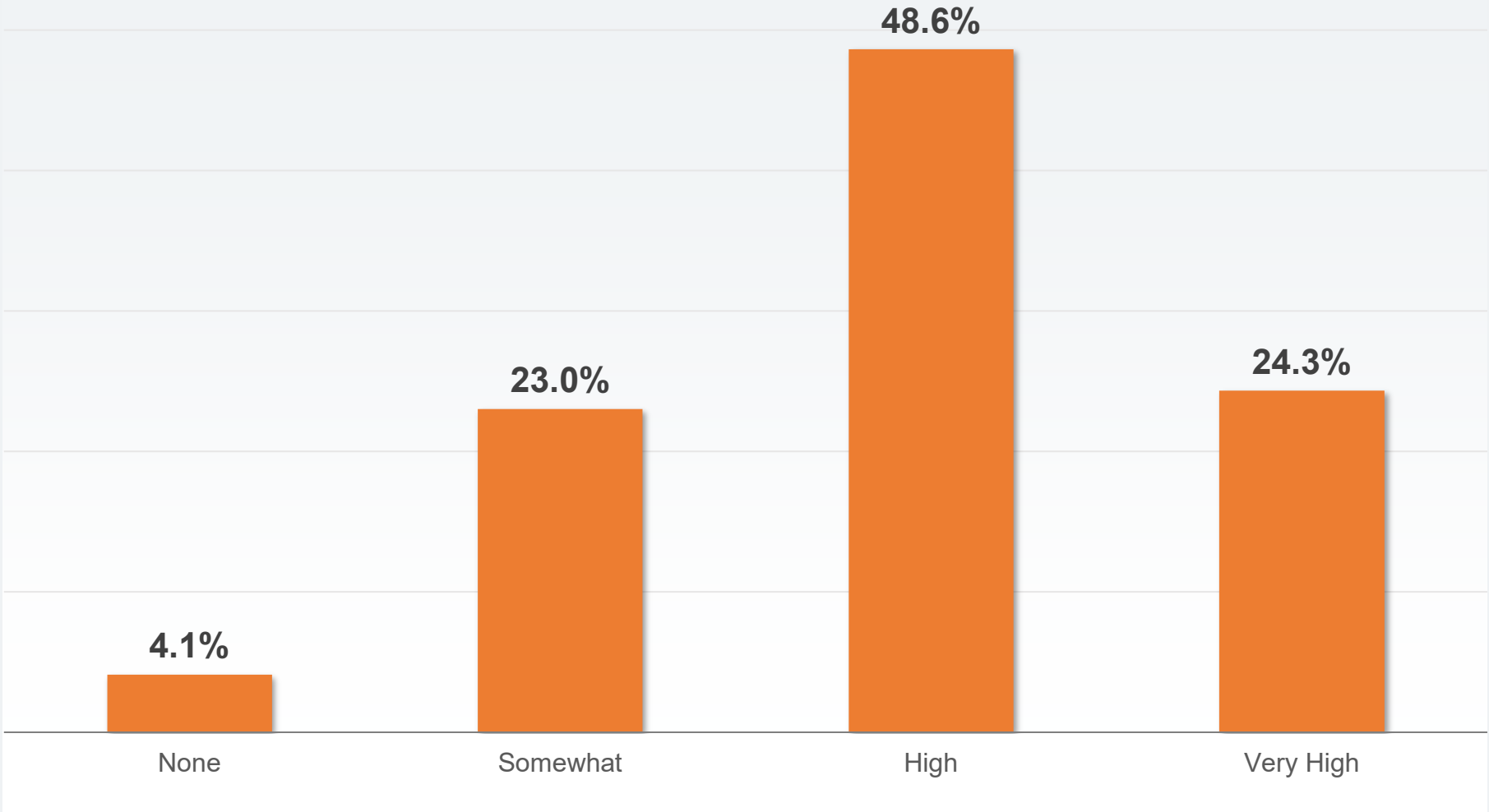
Average Overall Status of Automation for Compensating Physicians by Organization Type



On average, freestanding independent hospitals indicate they are most satisfied with their current systems of compensating physicians.

1 = Least Satisfied
4 = Most Satisfied

Influence of Physician Spend* on Organizational Discussions about Budget each Year



96% of organizations indicate physician spend has some level of influence on budget discussions.

* Physician Spend is the total dollar amount an organization spends on the physician contracts or agreements.

Average Influence of Physician Spend on Budget Discussions by Current Process Description



Organizations with “Challenging” or “Poor” current processes indicate a slightly higher influence of physician spend on budget discussions.

1 = Least Influence
4 = Most Influence

Average Influence of Physician Spend Budget Discussion by Organization Type



Physician-centric organizations indicate a higher influence of physician spend on budget discussions.

Concerns About How Your Organization Compensates Physicians

Q: Please describe any concerns you may have about the way your organization compensation physicians that may keep you up at night; concerns such as efficiency, effectiveness and regulatory compliance.

We're in pretty good shape

We would like to see improved efficiency management in our physician practices.

We compensate at a high level but not all physicians produce at a high level. We are looking to match production with compensation.

We incentivize physicians for meeting ACO measures in quality and per-member per month costs, and the ACO in which we participate is slow to deliver results, and the results are not reliably correct.

We do check and balance (reconciliation) every month which minimizes the risk of errors.

Ability to track special situations and individual exceptions

Concerns About How Your Organization Compensates Physicians

Q: Please describe any concerns you may have about the way your organization compensation physicians that may keep you up at night; concerns such as efficiency, effectiveness and regulatory compliance.

No concerns. We are mostly a closed-staff, salary-based model. Any atypical arrangements pass through multiple layers of administrative and in-house legal review before they are executed.

Missed amounts, not following contract exactly

Lots of varying compensation plans

Issues around RVU and quality bonuses which could result in incorrect amount and payback situations

Concerns About How Your Organization Compensates Physicians

Q: Please describe any concerns you may have about the way your organization compensation physicians that may keep you up at night; concerns such as efficiency, effectiveness and regulatory compliance.

Incorrect amount

Identifying who gets credit for productivity between mid levels and physicians

I do not have many concerns regarding this. It could be a bit more efficient if there were more consistency in the way departments compensate them outside of their salary such as for call.

Failure to meet the timing of payroll processing.

External perceptions of gender equity
Treatment of extended sick time for shift-based providers
Right-sizing attending incentives when assisted by APPs

Concerns About How Your Organization Compensates Physicians

Q: Please describe any concerns you may have about the way your organization compensation physicians that may keep you up at night; concerns such as efficiency, effectiveness and regulatory compliance.

Concern is complexity of funds flow between hospital and medical school.

Additional costs such as Extra Shifts, RVU based bonuses, incentives such as sign on bonuses, payments for loan forgiveness.

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